

State of Iowa - Return on Investment Program / IT Project Evaluation**SECTION 1: PROPOSAL**

Tracking Number (For Project Office Use)

Project Name: Enterprise Resource Planning
 Date: 10/4/2000

Agency Point of Contact for Project: Cynthia Eisenhauer

Agency Point of Contact Phone Number / E-mail: 1 – 3139 /
 Cynthia.eisenhauer@idom.state.ia.us

Executive Sponsor (Agency Director or Designee) Signature: Cynthia Eisenhauer

Is this project necessary for compliance with a Federal standard, initiative, or statute? (If "Yes," cite specific requirement, attach copy of requirement, and explain in Proposal Summary) ☐ Yes ☒ No

Is this project required by State statute? (If "Yes," explain in Proposal Summary) ☐ Yes ☒ No

Does this project meet a health, safety or security requirement? (If "Yes," explain in Proposal Summary) ☐ Yes ☒ No

Is this project necessary for compliance with an enterprise technology standard? (If "Yes," explain in Proposal Summary) ☐ Yes ☒ No

Does this project contribute to meeting a strategic goal of government? (If "Yes," explain in Proposal Summary) ☒ Yes ☐ No

Is this a "research and development" project? (If "Yes," explain in Proposal Summary) ☐ Yes ☒ No

PROPOSAL SUMMARY:

1. A pre-project and a post-project description of the system or process that will be impacted.
 See Attachment 1 – proposal summary, item 1.
2. A summary of the extent to which the project provides tangible and intangible benefits to either Iowa Citizens or to State government.
 See Attachment 2 – proposal summary, item 2.
3. A summary that identifies the project stakeholders and how they are impacted by the project.
 See Attachment 3 – proposal summary, item 3.

SECTION 2: PROJECT PLAN

Individual project plans will vary depending upon the size and complexity of the project. A project plan includes the following information:

1. Agency Information

Project Executive Sponsor Responsibilities: Cynthia Eisenhower, Department Director is sponsoring the project on behalf of Department of Management, Department of Revenue and Finance, Department of Personnel, Department of General Services, and Information Technology Department.

Organization Skills: This project will require a very high level of organization throughout state government. Cooperation among all departments will be imperative, with emphasis on the administrative departments that run the processes under the ERP umbrella. The project leader responsibilities will be a full time job for the duration of the 5 year project.

2. Project Information

Mission, Goals, Objectives:

See Attachment 4, Project plan item 2.

3. Current Technology Environment (Describe the following):

See Attachment 5, Project plan item 3.

4. Proposed Environment (Describe the following): Includes Project schedule.

See Attachment 6, Project plan item 4.

See Attachment 7 – ROI – Benefits

See Attachment 8 – Cost Breakdown by year

SECTION 3: Return On Investment (ROI) Financial Analysis

Project Budget:

Provide the estimated project cost by expense category.

Personnel	\$ 7,624,500	_____
Software	\$ 7,550,000	_____
Hardware	\$ 3,775,000	_____
Training	\$ 3,775,000	_____
Facilities	\$	_____
Professional Services	\$ 21,900,000	_____
Supplies	\$	_____
Other (Specify).....Support...	\$ 2,990,000	_____
Total	\$ 47,614,500	_____

Project Funding:

Provide the estimated project cost by funding source.

State Funds	\$ 47,614,500	_____	100	% of total cost
Federal Funds	\$	_____	_____	% of total cost
Local Gov. Funds	\$	_____	_____	% of total cost
Private Funds	\$	_____	_____	% of total cost
Other Funds (Specify)	\$	_____	_____	% of total cost
Total Cost:	\$	_____	_____	% of total cost

Provide the estimated project cost by fiscal year.

How much of the cost would be incurred by your agency
from normal operating budgets (staff, equipment, etc.)?\$ _____ %

How much of the cost would be paid by requested State IT project funds? \$47,614,500 100 %

Identify, list, and quantify all additional annual maintenance expenses (State \$\$s) related to the project.

Ongoing maintenance and support is \$1,400,000 per year for all portions of ERP.

Identify, list, and quantify any other future additional expenses (State \$\$s) related to the project.

ROI Financial Worksheet Directions (Attach Written Detail as Requested):

Annual Pre-Project Cost -- Quantify, in written detail, all actual State government direct and indirect costs (personnel, support, equipment, etc.) associated with the activity, system or process prior to project implementation. This section should be completed only if State government costs are expected to be reduced as a result of project implementation.

Annual Post-Project Cost -- Quantify, in written detail, all estimated State government direct and indirect costs associated with activity, system or process after project implementation. This section should be completed only if State government costs are expected to be reduced as a result of project implementation.

State Government Benefit -- Subtract the total "Annual Post-Project Cost" from the total "Annual Pre-Project Cost." This section should be completed only if State government costs are expected to be reduced as a result of project implementation.

Citizen Benefit -- Quantify, in written detail, the estimated annual value of the project to Iowa citizens. This includes the "hard cost" value of avoiding expenses (hidden taxes) related to conducting business with State government. These expenses may be of a personal or business nature. They could be related to transportation, the time expended on or waiting for the manual processing of governmental paperwork such as licenses or applications, taking time off work, mailing, or other similar expenses.

Opportunity Value/Risk or Loss Avoidance Benefit -- Quantify, in written detail, the estimated annual benefit to Iowa citizens or to State government. This could include such items as qualifying for additional matching funds, avoiding the loss of matching funds, avoiding program penalties/sanctions or interest charges, avoiding risks to health/security/safety, avoiding the consequences of not complying with State or federal laws, providing enhanced services, avoiding the consequences of not complying with enterprise technology standards, etc.

Total Annual Project Benefit -- Add the values of all annual benefit categories.

Total Annual Project Cost -- Quantify, in written detail, the estimated annual new cost necessary to implement and maintain the project including consulting fees, equipment retirement, ongoing expenses (i.e. labor, etc.), other technology (hardware, software and development), and any other specifically identifiable project related expense. In general, to calculate the annual hardware cost, divide the hardware and associated costs by three (3), the useful life. In general, to calculate the annual software cost, divide the software and associated costs by four (4), the useful life. This may require assigning consulting fees to hardware cost or to software cost. A different useful life may be used if it can be documented.

Benefit / Cost Ratio -- Divide the "Total Annual Project Benefit" by the "Total Annual Project Cost." If the resulting figure is greater than one (1.00), then the annual project benefits exceed the annual project cost. If the resulting figure is less than one (1.00), then the annual project benefits are less than the annual project cost.

ROI -- Subtract the "Total Annual Project Cost" from the "Total Annual Project Benefit" and divide by the amount of the requested State IT project funds.

Benefits Not Cost Related or Quantifiable -- List the project benefits and articulate, in written detail, why they (IT innovation, unique system application, utilization of new technology, hidden taxes, improving the quality of life, reducing the government hassle factor, meeting a strategic goal, etc.) are not cost related or quantifiable. Rate the importance of these benefits on a "1 – 10" basis, with "10" being of highest importance. Check the "Benefits Not Cost Related or Quantifiable" box in the applicable row.

ROI Financial Worksheet

See Attachment 7 (ROI Benefits that aren't quantifiable)

Annual Pre-Project Cost - How You Perform The Function(s) Now

FTE Cost (salary plus benefits):	
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	
A. Total Annual Pre-Project Cost:	

Annual Post-Project Cost – How You Propose to Perform the Function(s)

FTE Cost:	
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	
B. Total Annual Post-Project Cost:	
State Government Benefit (= A-B):	

Annual Benefit Summary

State Government Benefit:	
Citizen Benefit (including quantifiable "hidden taxes"):	
Opportunity Value and Risk/Loss Avoidance Benefit:	
C. Total Annual Project Benefit:	
D. Total Annual Project Cost:	
Benefit / Cost Ratio (C / D):	_____
ROI (C – D / Requested State IT Project Funds):	_____ %

■ Benefits Not Cost Related or Quantifiable (including non-quantifiable "hidden taxes")

ATTACHMENT 8 - COST BREAKDOWN BY YEAR

ERP FTE's by year (Information Technology) Updated 10/9/2000

Function	Year 1	Year 2	Year 3	Year 4	Year 5
HRIS	1	2.4	2.4		
Budget	1.9	1.9			
Assets		.2			
E-Procurement	2	2			
Optimize IFAS	.3	.3	.3	.3	.3
Financials				5.5	5.5
Enterprise reporting tool	1				
D Warehouse Infrastructure	.7	.7	.7	.7	.7
Datamarts	.6	.6	.6	.6	.6
e-Business Strategy					
CRM capabilities	2.1	2.1	2.1	2.1	2.1
Totals	9.6	10.2	6.1	9.2	9.2

\$\$ by year year total) **\$624,000** **\$663,000** **\$396,500** **\$598,000** **\$598,000** **(\$2,879,500 5**

ERP FTE's by year (Functional) Updated 10/9/2000

Function	Year 1	Year 2	Year 3	Year 4	Year 5
HRIS	1	4.7	4.7		
Budget	3.5	3.5			
Assets		.9			
E-Procurement	6	6			
Optimize IFAS	2.6	2.6	2.6	2.6	2.6
Financials				10.3	10.3
Enterprise reporting tool	.6				
D Warehouse Infrastructure	.2	.2	.2	.2	.2
Datamarts	.4	.4	.4	.4	.4
e-Business Strategy					
CRM capabilities	1.1	1.1	1.1	1.1	1.1
Totals	15.4	19.4	9	14.6	14.6

\$\$ by year year total) **\$1,001,000** **\$1,261,000** **\$585,000** **\$949,000** **\$949,000** **(\$4,745,000 5**